DOCKETED

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FILED

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CLERK, U.S. DISTRICT COURT

THE MAGNAVOX COMPANY, and SANDERS ASSOCIATES, INC.,	)	
Plaintiffs,	)	Civil Action No. 77 C 3159
v.	)	
APF ELECTRONICS, INC., et al.,	)	
Defendants.	)	

DEFENDANT TAITO AMERICA CORPORATION'S
ANSWERS TO INTERROGATORIES TO DEFENDANTS

Now comes the defendant, through its duly authorized agent, and in accordance with Rule 33 of the Federal Rules of Civil Procedure, and hereby answers the Plaintiff's Interrogatories to Defendants as follows:

Interrogatory No. 1. No answer required.

Interrogatory No. 2

2. Fully identify defendant's video games by responding to the following:

(a) State the model or type name or number of each video game made, used, or sold by defendant within the United States during the period April 25, 1972 through August 5, 1975 and the model or type name or number of each video game made, used, or sold by defendant

within the United States since August 5, 1975.

(b) As to each model or type name or number video game stated in defendant's response to paragraph (a) of this interrogatory:

(i) state whether it is a coin-operated video game or a consumer video game;

(ii) describe the game or games played thereon as they appear to the player;

(iii) identify the document or documents containing a schematic electrical circuit diagram thereof;

(iv) identify the person or persons having the greatest knowledge of the electrical design and operation thereof;

(v) identify the manufacturer and/or supplier and the manufacturer's and/or supplier's part or model number of any integrated circuit(s) included in such video game which integrated circuit(s) was specifically intended by its manufacturer to be used in and/or was sold for use in video games;

(vi) if any one or more units of that model or type of video game was not manufactured by defendant, identify the party who manufactured those video games not manufactured by defendant and the party from whom defendant acquired those video games.

(c) As to each model or type name or number video game stated in response to paragraph (a) of this interrogatory,

(i) state the number of units of that game made, used, or sold by defendant within the United States during the period August 25, 1972 through August 5, 1975 and the defendant's gross sales in dollars and the total profit made by defendant for sales of that game for sales made during the period August 25, 1972 through August 5, 1975;

(ii) state the number of units of that game made, used or sold by defendant within the United States since August 25, 1972 and defendant's gross sales in dollars and the total profit made by defendant for sales of that game since August 25, 1972;

(iii) state the number of units of that game made, used, or sold by defendant within the United States since August 5, 1975 and defendant's gross sales in dollars and the total profit made by defendant for sales of that game made since August 5, 1975.

Answer No. 2

(a) Taito America Corporation has made no video games and has used no video games in the United States. Taito America Corporation has imported not more than fifty-five video games from its parent corporation, Taito Corporation of Japan, for use in promoting licenses for video games of its parent corporation, and these video games have been disposed of in the United States,

and are known as: Speed Race, Speed Race Derby, Basketball, Twin Speed Race, Safari Interceptor, Road Champions, Flying Shark and Western Gun. In addition, Taito America Corporation has purchased not more than fifty video games from Midway Manufacturing Co., Atari Inc., Meadows Games Inc., Exidy Inc., Ramtek, Inc., Gremlin Industries Inc., Cinematronics, and sold them in the United States.

(b) (i) Each video game referred to in paragraph (a) is a coin operated game.

(ii) The participant views a cathode ray tube and operates controls as specified in the instructions for said video game.

(iii) Taito America Corporation has no schematic circuit diagrams in its possession, except for drawings relating to Twin Speed Race, Interceptor and Western Gun. These drawings include industrial trade secrets of Taito America Corporation, and Taito America Corporation claims privilege with respect thereto.

(iv) No person in the employ of Taito America Corporation has a significant knowledge of the electrical design or operation of the games identified in paragraph (a). Paul R. Moriarity, General Manager, Taito America Corporation, has the greatest knowledge of said video games in the employ of Taito

America Corporation.

(v) All video games referred to in paragraph (a) hereof were obtained from Taito Corporation of Japan, or Model Racing of Ancona, Italy, except as indicated. Taito America Corporation has no knowledge of the source of integrated circuits, if any.

(vi) Answered above.

(c) (i) The Defendant Taito America Corporation has objected to this interrogatory.

(ii) The defendant Taito America Corporation has objected to this interrogatory.

(iii) The defendant Taito America Corporation has objected to this interrogatory.

Interrogatory No. 3.

Does defendant contend that the patent in suit is invalid,

void, or unenforceable for any reason under 35 U.S.C. §§ 102 or 103? If so:

(a) State each and every reason, ground, or basis not otherwise stated in defendant's responses to paragraphs (b)-(i) of this interrogatory to support defendant's contention that the patent in suit is invalid, void, or unenforceable under 35 U.S.C. §§ 102 or 103.

(b) State each and every instance of knowledge or use by others in this country of the invention of the patent in suit and of patenting or description in a printed publication of the invention of the patent in suit in this or a foreign country before the invention thereof by the inventor named in the patent in suit which renders the patent in suit invalid, void, or unenforceable under 35 U.S.C. §102(a); state in detail each alleged act, fact, or occurrence known to defendant to support each such instance of knowledge or use by others, separately as to each alleged act, fact, or occurrence, identify all persons known to defendant who were witnesses to such alleged act, fact, or occurrence and all documents known to defendant relating to the occurrence or nonoccurrence of such alleged act, fact, or occurrence; and identify each such patent or printed publication.

(c) State each and every instance of patenting or description in a printed publication in this or a foreign country or placing in public use or on sale in this country of the invention of the patent in suit more than one year prior to the date of the application for the patent in suit in the United States which renders the patent in suit invalid, void, or unenforceable under 35 U.S.C. § 102(b); identify each such patent or printed publication; state in detail each alleged act, fact, or occurrence known to defendant to support each such instance of placing in public use or on sale; and, separately as to each alleged act, fact, or occurrence, identify all persons known to defendant who were witnesses to such alleged act, fact, or occurrence and all documents known to defendant relating to the occurrence or nonoccurrence of such alleged act, fact, or occurrence.

(d) State each and every alleged act, fact, or occurrence known to defendant which supports the position that the inventor named in the patent in suit abandoned the invention thereof or which renders the patent in suit invalid, void, or unenforceable under 35 U.S.C. §102(c) and, separately as to each alleged act, fact, or occurrence, identify all persons known to defendant who were witnesses to such alleged act, fact, or occurrence and all documents known to

defendant relating to the occurrence or nonoccurrence of such alleged act, fact, or occurrence.

(e) State each and every alleged act, fact, or occurrence known to defendant which supports the position that the patent in suit is invalid, void, or unenforceable under 35 U.S.C. § 102(d); identify each patent or inventor's certificate which relates to or supports such position, as to each such patent state in detail each and every reason, ground, or basis to support the position that the invention of the patent in suit was patented therein; and as to each such inventor's certificate state in detail each and every reason, ground or basis to support the position that the invention of the patent in suit was the subject thereof.

(f) State each and every instance of description of the invention of the patent in suit in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for the patent in suit which renders the patent in suit invalid, void, or unenforceable under 35 U.S.C. § 102(e) and identify each patent or application for patent known to defendant relating to each such instance.

(g) State each and every alleged act, fact, or occurrence known to defendant which supports the position that the inventor

named in the patent in suit did not himself invent the subject matter sought to be patented or patented therein or which renders the patent in suit invalid, void, or unenforceable under 35 U.S.C. § 101(f) and, separately as to each alleged act, fact, or occurrence, identify all persons known to defendant who were witnesses to such alleged act, fact, or occurrence and all documents known to defendant relating to the occurrence or nonoccurrence of such alleged act, fact or occurrence.

(h) State each and every instance of making of the invention of the patent in suit before the invention thereof by the inventor named in the patent in suit by another who had not abandoned, suppressed or concealed it which renders the patent in suit invalid, void, or unenforceable under 35 U.S.C. §102(g); state in detail each alleged act, fact, or occurrence known to defendant to support each such instance of prior invention and each alleged act, fact, or occurrence relating to the dates of conception and reduction to practice and reasonable diligence to reduce to practice in each such alleged instance; and, separately as to each alleged act, fact, occurrence, identify all persons known to defendant who were witnesses to such alleged act, fact, or occurrence and all documents known to defendant relating to the occurrence or nonoccurrence of such alleged act, fact, or occurrence.

(i) Identify each and every item, fact, act, or occurrence which defendant contends is a portion of the "prior art" with respect to the patent in suit as that term is used in 35 U.S.C. § 103 and renders the patent in suit invalid, void, or unenforceable under 25 U.S.C. § 103; as to each such item, fact, act, or occurrence state which paragraph, if any, of 35 U.S.C. § 102 renders it a part of the "prior art" as that term is used in 35 U.S.C. §103 and supply the information requested in the corresponding one(s) of paragraphs (b)-(h) of this interrogatory as to that item, fact, act, or occurrence; state what defendant contends is the art to which the subject matter sought to be patented or patented in the patent in suit pertains for the purposes of 35 U.S.C. §103; state what defendant contends was the level of skill of a person having ordinary skill in the art to which the subject matter sought to be patented or patented in the patent in suit was made by the inventor named in the patent in suit and at the time the application for the patent in suit was filed; state what defendant contends was the difference(s) between the prior art and the subject matter sought to be patented or patented by the patent in suit; state each and every fact, act, occurrence, item, reason, or belief which defendant contends supports the position that the difference(s) between the subject matter sought to be patented or patented in the patent in suit as a whole would have

been obvious to a person having ordinary skill in the art to which said subject matter pertains at the time the invention of the patent in suit was made by the inventor named in the patent in suit and at the time the application for the patent in suit was filed.

Answer No. 3.

Yes.

(a) The defendant, Taito America Corporation, has not completed its investigation of the prior art with respect to the patent in suit, and this information will be supplied when known.

Taito America Corporation is aware of the prior art cited by the United States Patent Office during the prosecution of the patent in suit and the prior art cited by the defendants in Civil Action 74 C 1030 and Civil Action 74 C 2510 in the United States District Court for the Northern District of Illinois, Eastern Division. The defendant, Taito America Corporation, also believes that discovery to be taken in this action will develop evidence supporting each and every defense to the plaintiffs' claims set forth in Taito America Corporation's Answer.

(b) Answered under (a) above.

(c) Answered under (a) above.

(d) Answered under (a) above.

(e) Answered under (a) above.

(f) Answered under (a) above.

(g) Answered under (a) above.

(h) Answered under (a) above.

(i) Answered under (a) above.

Interrogatory No. 4

Does defendant contend that the patent in suit is invalid, void, or unenforceable for any reason under 35 U.S.C. § 112? If so:

(a) If defendant contends that the specification of the patent in suit does not contain a written description of the invention thereof, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, state in detail each and every deficiency in the written description of the invention and each and every item or element which was omitted from the written description of the invention and state in detail every ground reason, or basis to support the position such deficiences or omitted items or elements, taken singularly or in combination, would prevent any person skilled in the art to which the invention of the patent in suit pertains, or to which it is most nearly connected, from making and using the same.

(b) If defendant contends that the specification of the patent in suit does not set forth the best mode contemplated by the inventor named in the patent in suit of carrying out the invention of the patent in suit, identify each mode of carrying out the invention of the patent in suit which was contemplated by the inventor named in the patent in suit as better than the mode or modes set forth in the specification of the patent in suit.

(c) If defendant contends that the specification of the patent in suit fails to conclude with one or more claims particularly pointing out or distinctly claiming the subject matter which the inventor named in the patent in suit regarded as his invention, state in detail each and every ground, reason or basis to support the position the claims of the patent in suit fail to particularly point out or distinctly claim the subject matter which the inventor regarded as his invention.

Answer No. 4.

Yes. The defendant, Taito America Corporation, has not completed its discovery with respect to the patent in suit, and is not at this time prepared to detail the reasons that it contends that the patent is invalid, void or unenforceable for any reason under 35 U.S.C. § 112. The defendant, Taito America Corporation, will make this information known to the plaintiffs as defendant's discovery progresses.

(a) Answered above.

(b) Answered above.

(c) Answered above.

Interrogatory No. 5.

Does defendant contend that the patent in suit is invalid, void, or unenforceable for any reason under 35 U.S.C. §§ 251 or 252? If so, state in detail each and every reason, ground, or basis to support defendant's contention that the patent in suit is invalid, void, or unenforceable under 35 U.S.C. §§ 251 or 252; state in detail each alleged act, fact, or occurrence known to defendant which supports each such reason, ground, or basis; and, separately as to each act, fact, or occurrence, identify all persons known to defendant who were witnesses to such alleged act, fact, or occurrence and all documents known to defendant relating to the occurrence or nonoccurrence of such alleged act, fact, or occurrence.

Answer No. 5.

Yes. Defendant, Taito America Corporation, believes that the patent in suit in invalid, void, or unenforceable under 35 U.S.C. §§ 251 and 252, and that discovery will develop facts supporting this contention. These facts are not known to defendant Taito America Corporation at the present time, and will be made known to the plaintiffs as Taito America Corporation's discovery proceeds.

Interrogatory No. 6.

Does defendant contend that the patent in suit is invalid, void, or unenforceable or was unenforceable at any time while defendant was making, using or selling video games for any reason other than those stated in defendant's responses to interrogatories 2 through 5? If so, state in detail each and every other reason, ground, or basis to support defendant's other contentions that the patent in suit is or was invalid, void, or unenforceable; state in detail each alleged act, fact, or occurrence known to defendant which supports each such reason, ground, or basis; and, separately as to each alleged act, fact, or occurrence, identify all persons known to defendant who were witnesses to such alleged act, fact, or occurrence and all documents known to defendant relating to the occurrence or nonoccurrence of such alleged act, fact, or occurrence.

Answer No. 6.

The defendant, Taito America Corporation, believes that the patent in suit is invalid, void, or unenforceable for reasons other than those stated in defendant's responses to interrogatories 2 through 5, but the defendant, Taito America Corporation, has not proceeded sufficiently far with its discovery to detail these contentions. Taito America Corporation will advise the plaintiffs of such grounds as its discovery proceeds.

It is believed that when the construction of the video games identified in paragraph 2 (a) becomes known, these games will not be infringements of the patent in suit, but, should the construction of one or more of these games come within the scope of the patent in suit, Taito America Corporation will be entitled to claim intervening rights.

Interrogatory No. 7.

7. (a) Does defendant contend that any of the video game models or types identified in the response to paragraph (a) of interrogatory 2 does not come within the terms of one or more claims of the patent in suit? If so, as to each and every video game model or type identified in defendant's response to interrogatory 2 which defendant contends does not come within the terms of one or more claims of the patent in suit, state in detail each and every reason, ground, or basis to support defendant's contention that the video game model or type does not come within the terms of each of claims 25, 26, 28, 29, 31, 32, 44, 45, 51, 52, 54, 55, 57, 60, 61, 62, 63, and 64 of the patent in suit.

(b) Does defendant contend that plaintiffs are estopped from asserting that any one of claims 25, 26, 28, 29, 31, 32, 44, 45, 51, 52, 54, 55, 57, 60, 61, 62, 63, or 64 is infringed by the manufacture, use and/or sale by defendant of any one or more of the video

game models or types identified in defendant's response to interrogatory 2? If so, as to each such claim and as to each video game as to which defendant contends plaintiffs are estopped, specifically identify each limitation, interpretation, admission, representation, proceedings, amendments, arguments, presentation, or other item which defendant alleges resulted in said estoppel; state with specific reference to paper, page number, and line number, if any, in the file history of the application or applications for the patent in suit where such limitation, interpretation, admission, representation, proceedings, amendments, arguments, presentation, or other item occurred; and state every reason, basis, or ground upon which defendant alleges each such limitation, interpretation, admission, representation, proceedings, amendments, arguments, presentation, or other item resulted in such estoppel.

Answer No. 7.

(a) Yes. The defendant, Taito America Corporation, is not fully appraised of the construction of the games identified under interrogatory 2 (a), but believes that each of these games falls outside of the claims of the patent in suit. Taito America Corporation has not completed its discovery, and when the construction of these games is known, Taito America Corporation will detail the grounds or bases to support this contention.

(b) Answered above.

Interrogatory No. 8.

What does defendant contend is "a reasonable royalty" as that term is used in 35 U.S.C. §284 for the use of the invention of the patent in suit by defendant if the Court should find that defendant has infringed the patent in suit? State each and every act, fact, occurrence, reason, ground, or basis which defendant will rely upon to support such contention.

Answer No. 8.

The defendant, Taito America Corporation, has not completed its discovery and has not made a contention with respect to the meaning of the term "a reasonable royalty". When such a contention is made, the defendant Taito America Corporation will so advise the plaintiffs.

Interrogatory No. 9.

9. (a) Identify each person whom defendant expects to call as an expert witness at the trial in this civil action.

(b) As to each expert witness identified in defendant's response to paragraph (a) of this interrogatory, state the subject matter or subjects matter on which he is expected to testify.

(c) As to each expert witness identified in defendant's response to paragraph (a) of this interrogatory, state the substance

of the facts and opinions as to which the expert is expected to testify.

(d) As to each expert witness identified in defendant's response to paragraph (a) of this interrogatory, summarize the grounds for each opinion set forth in defendant's response to paragraph (c) of this interrogatory; and

(e) Identify each person whom defendant has retained or specially employed in anticipation of this civil action and/or in preparation for trial in this civil action.

Answer No. 9.

(a) through (d) The defendant, Taito America Corporation, has not selected any expert witness at the present time which it intends to call for trial, and will advise the plaintiffs of such witnesses if it expects to call such witnesses when known.

(e) The defendant, Taito America Corporation, has engaged the legal services of Marshall A. Burmeister in preparation for trial of this action.

Interrogatory No. 10.

Has defendant given or received any indemnity agreements relating to or including claims or charges of patent infringement of the patent in suit? If so, and separately as to each such indemnity agreement, identify the parties other than defendant to that agreement; state the date such indemnity agreement was entered into and the dates,

if any, such indemnity agreement was terminated or modified; state the full and complete terms of such indemnity agreement and any modifications thereto.

Answer No. 10.

No.

Interrogatory No. 11.

With respect to plaintiffs acquisition of knowledge of the patents in suit:

(a) State the date when defendant first gained knowledge or was advised or received notice of that patent or of the application which resulted in that patent;

(b) State the date when defendant first gained knowledge or was advised or received notice that plaintiffs individually or collectively were asserting any exclusive or patent rights in the industry or trade related to video games;

(c) State in detail the manner in which defendant gained or received the knowledge, advice or notice specified in paragraphs (a) and (b) of this interrogatory and identify the person or persons, firm or firms, corporation or corporations and the like from whom such knowledge, advice or notice was gained or received;

(d) Identify all documents relating to the knowledge, advice and notice referred to in paragraphs (a) through (c) hereof;

(e) State whether defendant or an officer, director, or managing agent of defendant has ever formed an opinion as to whether the claims of the patent in suit were valid and/or enforceable against defendant and/or whether the manufacture, use, and/or sale by defendant of any of the video game models or types identified in defendant's response to paragraph (a) of interrogatory 2 hereof constituted infringement of said patent;

(f) If defendant's response to paragraph (e) of this interrogatory is in the affirmative, state the date or dates upon which defendant or any of its officers, directors, or managing agents arrived at such opinion or opinions as to whether the claims of the patent in suit were valid and/or enforceable against defendant and/or whether the manufacture, use, and/or sale by defendant of any of the video game models or types identified in defendant's response to paragraph (a) of interrogatory 2 hereof constituted an infringement of said patent; state each such opinion or opinions; identify each officer, director, managing agent, or other personnel of defendant who formed and held that opinion or opinions; identify every document containing or reporting that opinion or opinions; and identify each and every alleged fact, act, or occurrence and each and every document considered in arriving at that opinion or opinions.

Answer No. 11.

(a) through (d) The defendant, Taito America Corporation,

heard by word of mouth of the filing of actions against Atari and Seeberg shortly after suits were filed by the plaintiffs against these companies. The defendant, Taito America Corporation, received no written notice, has no memory of the details of its first knowledge, and no documents with respect to first knowledge of the existence of the patent in suit, except for the complaint in this action.

(e) Defendant Taito America Corporation has formed the opinion that the claims of the patent in suit are invalid and unenforceable against it and that manufacture, use or sale by the defendant of the video games identified in paragraph (a) of interrogatory 2 does not constitute infringement of the patent in suit. This opinion is based solely upon the opinion of its counsel orally conveyed to the general counsel of Taito America Corporation. No officer, director, or employee of Taito America Corporation has ever formed an independent opinion with respect to these matters.

(f) Answered under (e).

Interrogatory No. 12.

With respect to any ownership interest in or license of defendant under any patents relating to the patent in suit:

(a) Identify each and every patent or patent application of the United States or any other country owned in whole or in part by defendant or which resulted from or covers development work done

by or on behalf of or for defendant and which discloses or claims video games or subject matter related to or useful with video games or which defendant claims discloses or claims subject matter used in any one or more of defendant's video games identified in defendant's response to paragraph (a) of interrogatory 2 hereof.

(b) Identify each and every patent or patent application of the United States or any other country which discloses or claims video games or subject matter related to or useful with video games identified in defendant's response to paragraph (a) of interrogatory 2 hereof under which defendant is or ever has been licensed and as to each such patent or patent application, identify the party that granted defendant a license thereunder, state the date upon which defendant's license thereunder became effective, state the date (if any) upon which defendant's license thereunder terminated, state whether defendant's license thereunder was expressed or implied and in oral or written form, and state the full terms of such license.

Answer No. 12.

The defendant, Taito America Corporation, has no ownership interest or license under any patents relating to the patent in suit.

TAITO AMERICA CORPORATION

By Paul M. Moriarty
General Manager

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

Subscribed and sworn to before me this 6th day of October, 1978.

John B. Mazenzyk
Notary Public